

Wendy A. Mitchell (CA SBN 158553)
Nicholas R. Farnolo (*pro hac vice* anticipated)
Napoli Shkolnik, PLLC
400 Continental Boulevard, 6th Floor
El Segundo, CA 90245
(212) 397-1000
Attorneys for Plaintiff

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

DANIEL HOLLENBACK,
MATTHEW JOHNSON, AARON
NAMAKI, SCOTT MORROW,
LEGACY WINTERS, JASON
TAMBURELLO, DEREK WRIGHT,
SHELLEY SMITH, TUNG
TRUONG, MICHAEL SHAW,
ROQUE KING, CHRISTOPHER
MYERS, CHRISTOS MANTZEKIS,
BRANDON KNIGHT,
CHRISTOPHER STANTON,
YVENEL CASSEIDE, LOGAN
FOSTER, DON CARTER, ELI
GODMAN, JONATHAN
REYNOLDS, MOLLY
BROOKSHIRE, MITCH DURFREE,
STEPHANIE GOWDY, KASHFIN
SYED, CHRISTOPHER SANTOS,
MICHAEL LUU, RASHARD
SMITH, ERNESTO PEREZ, DIEGO
TAMEIRAO, ANDRE LY,
KENNETH GIORGI, BRADY
WHITAKER, ROMAN
REPTUSHENKO, STEVEN
DIGIULIO, JOSH ELLIS, ALEX
FERNANDEZ, HALLEMA
HARLOW, JONATHAN MOORE,
JAMES HINTON, LUKE JOHNSON
WILLIE ROBINSON, JONATHAN

CLASS ACTION COMPLAINT

Case No.

COMPLAINT FOR DECLARATORY RELIEF AND DAMAGES FOR:

- (1) BREACH OF CONTRACT;
 - (2) NEGLIGENCE;
 - (3) BREACH OF FIDUCIARY DUTY;
 - (4) BREACH OF DUTY OF GOOD FAITH AND FAIR DEALING
 - (5) BREACH OF EXPRESS AND IMPLIED WARRANTIES

DEMAND FOR JURY TRIAL

1 HAMLIN, JAMES BAYRAMI,
2 PAUL FIELDS, CHRISTOPHER
3 MONSKI, ROBERT MILLER,
4 QUINTEL STALLWORTH,
5 EBENEZER CHILUFYA, CLINT
6 SPENCE, MORDECHAI MOSESON,
7 AMY BAILIK, BAYIRE BAKPA,
8 MAJD DABBAS, FRANK SILVER,
9 BRANDON BELLEMARE, CHAD
10 BOLLENBACHER,
11 SALAHALDEEN DAWOOD, MIKE
12 SUMNICK, JOSE PEREZ,
13 KENNETH MARSAC, PATRICK
14 ALLOCICO, ANTHONY DENNIS,
15 REBECCA ACOSTA, THOMAS
16 ROBERTS, IYSHA HAYWARD,
17 CARISSA PURCELL, KODY
18 KIMBERLIN, DAVID GILMORE
19 AND WILSON CHARLES,
20
21
22

Plaintiff,

vs.

ROBINHOOD FINANCIAL LLC,
ROBINHOOD SECURITIES, LLC,
ROBINHOOD MARKETS, INC.,
and DOES 1-50,

Defendants.

23 **I. PLAINTIFF'S ORIGINAL CLASS ACTION COMPLAINT**
24

25 COME NOW the Plaintiffs DANIEL HOLLENBACK, MATTHEW JOHNSON,
26 AARON NAMAKI, SCOTT MORROW, LEGACY WINTERS, JASON
27 TAMBURELLO, DEREK WRIGHT, SHELLEY SMITH, TUNG TRUONG,
28 MICHAEL SHAW, ROQUE KING, CHRISTOPHER MYERS, CHRISTOS

1 MANTZEKIS, BRANDON KNIGHT, CHRISTOPHER STANTON, YVENEL
2 CASSEIDE, LOGAN FOSTER, DON CARTER, ELI GODMAN, JONATHAN
3 REYNOLDS, MOLLY BROOKSHIRE, MITCH DURFREE, STEPHANIE GOWDY,
4 KASHFIN SYED, CHRISTOPHER SANTOS, MICHAEL LUU, RASHARD SMITH,
5 ERNESTO PEREZ, DIEGO TAMEIRAO, ANDRE LY, KENNETH GIORGI,
6 BRADY WHITAKER, ROMAN REPTUSHENKO, STEVEN DIGIULIO, JOSH
7 ELLIS, ALEX FERNANDEZ, HALLEMA HARLOW, JONATHAN MOORE,
8 JAMES HINTON, LUKE JOHNSON, WILLIE ROBINSON, JONATHAN HAMLIN,
9 JAMES BAYRAMI, PAUL FIELDS, CHRISTOPHER MONSKI, ROBERT MILLER,
10 QUINTEL STALLWORTH, EBENEZER CHILUFYA, CLINT SPENCE,
11 MORDECHAI MOSESON, AMY BAILIK, BAYIRE BAKPA, MAJD DABBAS,
12 FRANK SILVER, BRANDON BELLEMARE, CHAD BOLLENBACHER,
13 SALAHALDEEN DAWOOD, MIKE SUMNICK, JOSE PEREZ, KENNETH
14 MARSAC, PATRICK ALLOCCO, ANTHONY DENNIS, REBECCA ACOSTA,
15 THOMAS ROBERTS, IYSHA HAYWARD, CARISSA PURCELL, KODY
16 KIMBERLIN, DAVID GILMORE AND WILSON CHARLES to file this Complaint
17 seeking judgment against Defendants ROBINHOOD FINANCIAL LLC, a Delaware
18 corporation; ROBINHOOD SECURITIES, LLC, a Delaware corporation;
19 ROBINHOOD MARKETS, INC., a Delaware corporation, and DOES 1- 50, inclusive,
20 (hereinafter collectively referred to as “Defendants” or “Robinhood”) for damages
21 resulting from Robinhood’s purposefully, willfully, and knowingly restricting access to
22 the open markets in publicly available securities, and thereby depriving retail investors
23 from investing additional monies into the market through these securities, and openly
24 manipulating the open market to the detriment of all Plaintiffs and the market at large
25 by restricting purchase—without universal restrictions across the market by
26 regulators—of this non-exhaustive list of tickers \$AAL, \$AMC, \$BB, \$BBY, \$CTRM,
27 \$EXPR, \$GME, \$KOSS, \$NAKD, \$NOK, \$SNDL, \$TR, and \$TRVG (“Restricted
28

1 Tickers") and respectfully allege follows:
2
3

II.NATURE OF THE ACTION

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
1. Robinhood is a multibillion-dollar mobile application and website investment service that places stock trade orders on behalf of users like Plaintiff and Class members. Robinhood targets young adults who are new to investing through youth-forward marketing and a video game-like interface and misleads them into using Robinhood by promising "commission free" and "discounted" trading services and assuring them in its Customer Agreements that all of Robinhood's transactions will be subject to federal and state securities laws. Robinhood has been wildly successful, roping in not only young investors but also novice investors of all ages.

2. In the early morning hours of January 28, 2021, in the midst of an unprecedeted rise in the per share value of the Restricted Tickers, Robinhood without providing prior notice to its users or the market at large restricted solely on its platform the purchase of the Restricted Tickers. Robinhood, did however allow its users to "close their positions." Closing positions, given the suffocation of additional purchases through the Robinhood app would be dubious as the price per share of the Restricted Tickers plummeted.

3. Robinhood's claim is that their mission is to "democratize finance for all." And that they were restricting transactions for certain securities to position closing only on the Restricted Tickers. Further, they remain committed to the same

1 restriction. On January 29, 2021, rather than lift the restrictions in their entirety
2 Robinhood implemented “capped restrictions.” Robinhood allowed the trades of
3 Restricted tickers but limited the total number of shares that each account would be
4 able to hold. They set aggregate limits for each of the Restricted Tickers to the tune
5 of the following: \$AAL (55 shares), \$AMC (115 shares), \$BB (65 shares), \$BBY
6 (30 shares), \$CTRM (1650 shares), \$EXPR (200 shares), \$GME (5 shares), \$KOSS
7 (25 shares), \$NAKD (750 shares), \$NOK (110 shares), \$SNDL (1200 shares), \$TR
8 (25 shares), and \$TRVG (400 shares).
9

10 4. In the early afternoon on the same day Robinhood again pulled the rug
11 out from under its account holders by further restricting some of the Restricted
12 Tickers: \$AMC (25 shares), \$BB (25 shares), \$GME (2 shares), \$KOSS (10
13 shares), \$NAKD (300 shares), and \$NOK (50). Coincidentally, these are the stock
14 tickers that were increasing during trading on January 29, 2021.
15

16 5. By late afternoon, January 29, 2021, there were reports that Robinhood
17 has even further restricted \$AMC (10 shares) and \$GME (1 share). And extended
18 restrictions to other retail stocks like \$WKHS without prior notice. Additionally,
19 \$WKHS a retail stock that was not a part of the momentous rise of the Restricted
20 Tickers was also restricted, and such restriction caused losses. Finally, towards the
21 end of the trading day and through the after-hours market, Robinhood restricted many
22 of the Restricted Tickers and others to 1 share per account (\$AMC, \$BB, \$BBY,
23 \$GME, \$KOSS) and other retail tickers to 5 shares.
24

6. The conduct of Robinhood and DOES 1-50 violated their obligations under relevant federal and state law, including California law. Specifically, Robinhood's acts and omissions breached Robinhood's agreements with Plaintiffs and Class Plaintiffs, fiduciary duty to Plaintiffs and Class Plaintiffs, committed fraud, breaches of express and implied warranties.

III. JURISDICTION AND VENUE

7. This Court has original jurisdiction pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2)(a), because the amount in controversy, exclusive of interest and costs, exceeds the sum or value of \$5,000,000.00 and this is a class action in which there are numerous Class members who are citizens of states different from Defendants.

8. Pursuant to 28 U.S.C. § 1391, this Court is the proper venue for this action because a substantial part of the events, omissions, and acts giving rise to the claims herein occurred in this District where Robinhood, distributed, marketed, advertised, and sold the trading services which are the subject of the present complaint. Finally, venue is appropriate in this District pursuant to 28 USC § 1391(b)(2) because a substantial part of the acts and omissions that gave rise to this Complaint occurred or emanated from this District.

9. This Court has personal jurisdiction over Robinhood because it is authorized to do business and does conduct business in California, and because it has

1 specifically marketed, advertised, and made substantial sales in California, and has
2 sufficient minimum contacts with this state and/or sufficiently avails itself of the
3 markets of this state through its promotion, sales, and marketing within this state to
4 render the exercise of jurisdiction by this Court permissible.
5
6

IV.PARTIES

7
8 10. Plaintiff Daniel Hollenback resides in and is a citizen of Fremont,
9 California. He is an active trader that uses the Robinhood platform to access the
10 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
11 services to purchase one or more of the Restricted Tickers. He was unable to do so
12 because of the restrictions put in place by Robinhood.
13
14

15 11. Plaintiff Matthew Johnson resides in and is a citizen of Carol Stream,
16 Illinois. He is an active trader that uses the Robinhood platform. On or around January
17 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or more of
18 the Restricted Tickers. He was unable to do so because of the restrictions put in place by
19 Robinhood.
20
21

22 12. Plaintiff Aaron Namaki resides in and is a citizen of Fulshear, Texas. He is
23 an active trader that uses the Robinhood platform to access the markets. On or around
24 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
25 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
26 place by Robinhood.
27
28

1 13. Plaintiff Scott Morrow resides in and is a citizen of Saint Louis, Missouri.
2 He is an active trader that uses the Robinhood platform to access the markets. On or
3 around January 28, 2021, Plaintiff logged into the app for brokerage services to
4 purchase one or more of the Restricted Tickers. He was unable to do so because of the
5 restrictions put in place by Robinhood.
6
7

8 14. Plaintiff Legacy Winters resides in and is a citizen of Gaithersburg,
9 Maryland. He is an active trader that uses the Robinhood platform to access the
10 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
11 services to purchase one or more of the Restricted Tickers. He was unable to do so
12 because of the restrictions put in place by Robinhood.
13
14

15 15. Plaintiff Raffer Damian resides in and is a citizen of Sunnyvale, California.
16 He is an active trader that uses the Robinhood platform to access the markets. On or
17 around January 28, 2021, Plaintiff logged into the app for brokerage services to
18 purchase one or more of the Restricted Tickers. He was unable to do so because of the
19 restrictions put in place by Robinhood.
20
21

22 16. Plaintiff Jason Tamburello resides in and is a citizen of Haverville,
23 Massachusetts. He is an active trader that uses the Robinhood platform to access the
24 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
25 services to purchase one or more of the Restricted Tickers. He was unable to do so
26 because of the restrictions put in place by Robinhood.
27
28

17. Plaintiff Derek Wright resides in and is a citizen of Saugus, Massachusetts.

1 He is an active trader that uses the Robinhood platform to access the markets. On or
2 around January 28, 2021, Plaintiff logged into the app for brokerage services to
3 purchase one or more of the Restricted Tickers. He was unable to do so because of the
4 restrictions put in place by Robinhood.
5

6 18. Plaintiff Shelley Smith resides in and is a citizen of Chandler, Arizona.
7 She is an active trader that uses the Robinhood platform to access the markets. On or
8 around January 28, 2021, Plaintiff logged into the app for brokerage services to
9 purchase one or more of the Restricted Tickers. He was unable to do so because of the
10 restrictions put in place by Robinhood.
11
12

13 19. Plaintiff Tung Truong resides in and is a citizen of Herndon, Virginia. He
14 is an active trader that uses the Robinhood platform to access the markets. On or around
15 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
16 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
17 place by Robinhood.
18
19

20 20. Plaintiff Michael Shaw resides in and is a citizen of Wasilla, Arkansas. He
21 is an active trader that uses the Robinhood platform to access the markets. On or around
22 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
23 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
24 place by Robinhood.
25
26

27 21. Plaintiff Roque King resides in and is a citizen of Virginia Beach,
28 Virginia. He is an active trader that uses the Robinhood platform to access the markets.

1 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
2 purchase one or more of the Restricted Tickers. He was unable to do so because of the
3 restrictions put in place by Robinhood.
4

5 22. Plaintiff Christopher Myers resides in and is a citizen of Harrisburg,
6 Massachusetts. He is an active trader that uses the Robinhood platform to access the
7 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
8 services to purchase one or more of the Restricted Tickers. He was unable to do so
9 because of the restrictions put in place by Robinhood.
10
11

12 23. Plaintiff Christos Mantzekis resides in and is a citizen of Newburg,
13 Massachusetts. He is an active trader that uses the Robinhood platform to access the
14 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
15 services to purchase one or more of the Restricted Tickers. He was unable to do so
16 because of the restrictions put in place by Robinhood.
17
18

19 24. Plaintiff Brandon Knight resides in and is a citizen of Chicago, Illinois. He
20 is an active trader that uses the Robinhood platform to access the markets. On or around
21 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
22 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
23 place by Robinhood.
24
25

26 25. Plaintiff Christopher Stanton resides in and is a citizen of Grants Pass,
27 Oregon. He is an active trader that uses the Robinhood platform to access the markets.
28 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to

1 purchase one or more of the Restricted Tickers. He was unable to do so because of the
2 restrictions put in place by Robinhood.
3

4 26. Plaintiff Yvenel Casseide resides in and is a citizen of Homewood,
5 Indiana. He is an active trader that uses the Robinhood platform to access the markets.
6 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
7 purchase one or more of the Restricted Tickers. He was unable to do so because of the
8 restrictions put in place by Robinhood.
9

10 27. Plaintiff Logan Foster resides in and is a citizen of South Bend, Indiana.
11 He is an active trader that uses the Robinhood platform to access the markets. On or
12 around January 28, 2021, Plaintiff logged into the app for brokerage services to
13 purchase one or more of the Restricted Tickers. He was unable to do so because of the
14 restrictions put in place by Robinhood.
15

16 28. Plaintiff Don Carter resides in and is a citizen of Houston, Texas. He is an
17 active trader that uses the Robinhood platform to access the markets. On or around
18 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
19 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
20 place by Robinhood.
21

22 29. Plaintiff Eli Godman resides in and is a citizen of Almagordo, New
23 Mexico. He is an active trader that uses the Robinhood platform to access the markets.
24 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
25 purchase one or more of the Restricted Tickers. He was unable to do so because of the
26
27
28

1 restrictions put in place by Robinhood.

2 30. Plaintiff Jonathan Reynolds resides in and is a citizen of Ashville,
3 Alabama. He is an active trader that uses the Robinhood platform to access the markets.
4 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
5 purchase one or more of the Restricted Tickers. He was unable to do so because of the
6 restrictions put in place by Robinhood.

7 31. Plaintiff Molly Brookshire resides in and is a citizen of Rising Sun,
8 Maryland. He is an active trader that uses the Robinhood platform to access the markets.
9 On or around January 28, 2021, Plaintiff logged into the app for brokerage
10 services to purchase one or more of the Restricted Tickers. He was unable to do so
11 because of the restrictions put in place by Robinhood.

12 32. Plaintiff Mitch Durfree resides in and is a citizen of North Palm Beach,
13 Florida. He is an active trader that uses the Robinhood platform to access the markets.
14 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
15 purchase one or more of the Restricted Tickers. He was unable to do so because of the
16 restrictions put in place by Robinhood.

17 33. Plaintiff Stephanie Gowdy resides in and is a citizen of Loveland,
18 Colorado. He is an active trader that uses the Robinhood platform to access the markets.
19 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
20 purchase one or more of the Restricted Tickers. He was unable to do so because of the
21 restrictions put in place by Robinhood.

1 34. Plaintiff Kashfin Syed resides in and is a citizen of North Hollywood,
2 California. He is an active trader that uses the Robinhood platform to access the
3 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
4 services to purchase one or more of the Restricted Tickers. He was unable to do so
5 because of the restrictions put in place by Robinhood.
6

7 35. Plaintiff Christopher Santos resides in and is a citizen of Littleton,
8 Colorado. He is an active trader that uses the Robinhood platform to access the markets.
9 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
10 purchase one or more of the Restricted Tickers. He was unable to do so because of the
11 restrictions put in place by Robinhood.
12

13 36. Plaintiff Michael Luu resides in and is a citizen of Sanford, Florida. He is
14 an active trader that uses the Robinhood platform to access the markets. On or around
15 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
16 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
17 place by Robinhood.
18

19 37. Plaintiff Rashard Smith resides in and is a citizen of Sarasota, Florida. He
20 is an active trader that uses the Robinhood platform to access the markets. On or around
21 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
22 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
23 place by Robinhood.
24

25 38. Plaintiff Ernesto Perez resides in and is a citizen of Moyock, North
26

1 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
2
3 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
4 purchase one or more of the Restricted Tickers. He was unable to do so because of the
5 restrictions put in place by Robinhood.

6
7 39. Plaintiff Diego Tameirao resides in and is a citizen of Woonsocket, Rhode
8 Island. He is an active trader that uses the Robinhood platform to access the markets.
9 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
10 purchase one or more of the Restricted Tickers. He was unable to do so because of the
11 restrictions put in place by Robinhood.

13
14 40. Plaintiff Andre Ly resides in and is a citizen of Long Beach, California.
15 She is an active trader that uses the Robinhood platform to access the markets. On or
16 around January 28, 2021, Plaintiff logged into the app for brokerage services to
17 purchase one or more of the Restricted Tickers. He was unable to do so because of the
18 restrictions put in place by Robinhood.

20
21 41. Plaintiff Kenneth Giorgi resides in and is a citizen of Encinitas, California.
22 She is an active trader that uses the Robinhood platform to access the markets. On or
23 around January 28, 2021, Plaintiff logged into the app for brokerage services to
24 purchase one or more of the Restricted Tickers. He was unable to do so because of the
25 restrictions put in place by Robinhood.

26
27 42. Plaintiff Brady Whitaker resides in and is a citizen of Cary, North
28 Carolina. She is an active trader that uses the Robinhood platform to access the

1 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
2 services to purchase one or more of the Restricted Tickers. He was unable to do so
3 because of the restrictions put in place by Robinhood.
4

5 43. Plaintiff Roman Reptushenko resides in and is a citizen of Worcester,
6 Massachusetts. He is an active trader that uses the Robinhood platform to access the
7 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
8 services to purchase one or more of the Restricted Tickers. He was unable to do so
9 because of the restrictions put in place by Robinhood.
10
11

12 44. Plaintiff Steven Digiulio resides in and is a citizen of Seminole, Florida.
13 He is an active trader that uses the Robinhood platform to access the markets. On or
14 around January 28, 2021, Plaintiff logged into the app for brokerage services to
15 purchase one or more of the Restricted Tickers. He was unable to do so because of the
16 restrictions put in place by Robinhood.
17
18

19 45. Plaintiff Josh Ellis resides in and is a citizen of Knightstown, Indiana. He
20 is an active trader that uses the Robinhood platform to access the markets. On or around
21 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
22 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
23 place by Robinhood.
24
25

26 46. Plaintiff Alex Fernandez resides in and is a citizen of Grand Rapids,
27 Michigan. He is an active trader that uses the Robinhood platform to access the
28 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage

1 services to purchase one or more of the Restricted Tickers. He was unable to do so
2 because of the restrictions put in place by Robinhood.
3

4 47. Plaintiff Hallema Harlow resides in and is a citizen of Orlando, Florida. He
5 is an active trader that uses the Robinhood platform to access the markets. On or around
6 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
7 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
8 place by Robinhood.
9

10 48. Plaintiff Jonathan Moore resides in and is a citizen of Fayetteville,
11 Georgia. He is an active trader that uses the Robinhood platform to access the markets.
12 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
13 purchase one or more of the Restricted Tickers. He was unable to do so because of the
14 restrictions put in place by Robinhood.
15
16

17 49. Plaintiff James Hinton resides in and is a citizen of Chester, Virginia. He is
18 an active trader that uses the Robinhood platform to access the markets. On or around
19 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
20 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
21 place by Robinhood.
22
23

24 50. Plaintiff Luke Johnson resides in and is a citizen of Tacoma, Washington.
25 He is an active trader that uses the Robinhood platform to access the markets. On or
26 around January 28, 2021, Plaintiff logged into the app for brokerage services to
27 purchase one or more of the Restricted Tickers. He was unable to do so because of the
28

1 restrictions put in place by Robinhood.

2 51. Plaintiff Willie Robinson resides in and is a citizen of Merriam, Kansas.
3
4 He is an active trader that uses the Robinhood platform to access the markets. On or
5 around January 28, 2021, Plaintiff logged into the app for brokerage services to
6 purchase one or more of the Restricted Tickers. He was unable to do so because of the
7 restrictions put in place by Robinhood.
8

9 52. Plaintiff Jonathan Hamlin resides in and is a citizen of Port Huron,
10 Michigan. He is an active trader that uses the Robinhood platform to access the
11 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
12 services to purchase one or more of the Restricted Tickers. He was unable to do so
13 because of the restrictions put in place by Robinhood.
14
15

16 53. Plaintiff James Bayrami resides in and is a citizen of Sag Harbor, New
17 York. He is an active trader that uses the Robinhood platform to access the markets. On
18 or around January 28, 2021, Plaintiff logged into the app for brokerage services to
19 purchase one or more of the Restricted Tickers. He was unable to do so because of the
20 restrictions put in place by Robinhood.
21
22

23 54. Plaintiff Paul Fields resides in and is a citizen of Albuquerque, New
24 Mexico. He is an active trader that uses the Robinhood platform to access the markets.
25 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
26 purchase one or more of the Restricted Tickers. He was unable to do so because of the
27 restrictions put in place by Robinhood.
28

1 55. Plaintiff Christopher Monski resides in and is a citizen of Phoenix,
2 Arizona. He is an active trader that uses the Robinhood platform to access the markets.
3
4 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
5 purchase one or more of the Restricted Tickers. He was unable to do so because of the
6 restrictions put in place by Robinhood.
7

8 56. Plaintiff Robert Miller resides in and is a citizen of Port Charlotte, Florida.
9 He is an active trader that uses the Robinhood platform to access the markets. On or
10 around January 28, 2021, Plaintiff logged into the app for brokerage services to
11 purchase one or more of the Restricted Tickers. He was unable to do so because of the
12 restrictions put in place by Robinhood.
13

14 57. Plaintiff Quintel Stallworth resides in and is a citizen of Villa Park,
15 Illinois. He is an active trader that uses the Robinhood platform to access the markets.
16 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
17 purchase one or more of the Restricted Tickers. He was unable to do so because of the
18 restrictions put in place by Robinhood.
19

20 58. Plaintiff Ebenezer Chilufya resides in and is a citizen of ,Charlotte North
21 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
22 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
23 purchase one or more of the Restricted Tickers. He was unable to do so because of the
24 restrictions put in place by Robinhood.
25

26 59. Plaintiff Clint Spence resides in and is a citizen of Mineral Wells, Texas.
27

1 He is an active trader that uses the Robinhood platform to access the markets. On or
2 around January 28, 2021, Plaintiff logged into the app for brokerage services to
3 purchase one or more of the Restricted Tickers. He was unable to do so because of the
4 restrictions put in place by Robinhood.

6 60. Plaintiff Mordechai Moseson resides in and is a citizen of Boca Raton,
7 Florida. He is an active trader that uses the Robinhood platform to access the markets.
8 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
9 purchase one or more of the Restricted Tickers. He was unable to do so because of the
10 restrictions put in place by Robinhood.

13 61. Plaintiff Amy Bailik resides in and is a citizen of Wilmington, North
14 Carolina. She is an active trader that uses the Robinhood platform to access the
15 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
16 services to purchase one or more of the Restricted Tickers. He was unable to do so
17 because of the restrictions put in place by Robinhood.

20 62. Plaintiff Bayire Bakpa resides in and is a citizen of Bonita Springs,
21 Florida. He is an active trader that uses the Robinhood platform to access the markets.
22 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
23 purchase one or more of the Restricted Tickers. He was unable to do so because of the
24 restrictions put in place by Robinhood.

26 63. Plaintiff Majd Dabbas resides in and is a citizen of Jacksonville, Florida.
27
28 He is an active trader that uses the Robinhood platform to access the markets. On or

1 around January 28, 2021, Plaintiff logged into the app for brokerage services to
2 purchase one or more of the Restricted Tickers. He was unable to do so because of the
3 restrictions put in place by Robinhood.
4

5 64. Plaintiff Frank Silver resides in and is a citizen of Temple Hills, Maryland.
6 He is an active trader that uses the Robinhood platform to access the markets. On or
7 around January 28, 2021, Plaintiff logged into the app for brokerage services to
8 purchase one or more of the Restricted Tickers. He was unable to do so because of the
9 restrictions put in place by Robinhood.
10
11

12 65. Plaintiff Brandon Bellemare resides in and is a citizen of Bradenton,
13 Florida. He is an active trader that uses the Robinhood platform to access the markets.
14 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
15 purchase one or more of the Restricted Tickers. He was unable to do so because of the
16 restrictions put in place by Robinhood.
17
18

19 66. Plaintiff Chad Bollenbacher resides in and is a citizen of Weston, Ohio. He
20 is an active trader that uses the Robinhood platform to access the markets. On or around
21 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
22 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
23 place by Robinhood.
24
25

26 67. Plaintiff Salahaldeen Dawood resides in and is a citizen of Bronx, New
27 York. He is an active trader that uses the Robinhood platform to access the markets. On
28 or around January 28, 2021, Plaintiff logged into the app for brokerage services to

1 purchase one or more of the Restricted Tickers. He was unable to do so because of the
2 restrictions put in place by Robinhood.
3

4 68. Plaintiff Mike Sumnick resides in and is a citizen of Brandon, Florida. He
5 is an active trader that uses the Robinhood platform to access the markets. On or around
6 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
7 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
8 place by Robinhood.
9

10 69. Plaintiff Jose Perez resides in and is a citizen of Buckeye, Arizona. He is
11 an active trader that uses the Robinhood platform to access the markets. On or around
12 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
13 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
14 place by Robinhood.
15

16 70. Plaintiff Kenneth Marsac resides in and is a citizen of Ann Arbor,
17 Michigan. He is an active trader that uses the Robinhood platform to access the
18 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
19 services to purchase one or more of the Restricted Tickers. He was unable to do so
20 because of the restrictions put in place by Robinhood.
21

22 71. Plaintiff Patrick Allococo resides in and is a citizen of Moonachie, New
23 Jersey. He is an active trader that uses the Robinhood platform to access the markets.
24 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
25 purchase one or more of the Restricted Tickers. He was unable to do so because of the
26
27
28

1 restrictions put in place by Robinhood.

2 72. Plaintiff Anthony Dennis resides in and is a citizen of Bay Shore, New
3 York. He is an active trader that uses the Robinhood platform to access the markets. On
4 or around January 28, 2021, Plaintiff logged into the app for brokerage services to
5 purchase one or more of the Restricted Tickers. He was unable to do so because of the
6 restrictions put in place by Robinhood.
7
8

9 73. Plaintiff Rebecca Acosta resides in and is a citizen of New York, New
10 York. She is an active trader that uses the Robinhood platform to access the markets.
11 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
12 purchase one or more of the Restricted Tickers. He was unable to do so because of the
13 restrictions put in place by Robinhood.
14
15

16 74. Plaintiff Thomas Roberts resides in and is a citizen of Indianapolis,
17 Indiana. He is an active trader that uses the Robinhood platform to access the markets.
18 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
19 purchase one or more of the Restricted Tickers. He was unable to do so because of the
20 restrictions put in place by Robinhood.
21
22

23 75. Plaintiff Iysha Hayward resides in and is a citizen of Brooklyn, New York.
24 She is an active trader that uses the Robinhood platform to access the markets. On or
25 around January 28, 2021, Plaintiff logged into the app for brokerage services to
26 purchase one or more of the Restricted Tickers. He was unable to do so because of the
27 restrictions put in place by Robinhood.
28

1 76. Plaintiff Carissa Purcell resides in and is a citizen of Hamilton, Ohio. She
2 is an active trader that uses the Robinhood platform to access the markets. On or around
3 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
4 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
5 place by Robinhood.
6

7 77. Plaintiff Kody Kimberlin resides in and is a citizen of Anchorage, Alaska.
8 He is an active trader that uses the Robinhood platform to access the markets. On or around
9 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
10 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
11 place by Robinhood.
12

13 78. Plaintiff David Gilmore resides in and is a citizen of Thomaston,
14 Connecticut. He is an active trader that uses the Robinhood platform to access the
15 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
16 services to purchase one or more of the Restricted Tickers. He was unable to do so
17 because of the restrictions put in place by Robinhood.
18

19 79. Plaintiff Wilson Charles resides in and is a citizen of Kansas City,
20 Missouri. He is an active trader that uses the Robinhood platform to access the markets.
21 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
22 purchase one or more of the Restricted Tickers. He was unable to do so because of the
23 restrictions put in place by Robinhood.
24

25 80. Defendant Robinhood Markets, Inc. is a financial service holding
26

1 company incorporated in Delaware with its principal place of business located at 85
2 Willow Road, Menlo Park, CA 94025. It is the holding company for Defendants
3 Robinhood Financial LLC and Robinhood Securities, LLC. Defendant Robinhood
4 Markets, Inc. is a named party to the Robinhood Terms & Conditions Agreement
5 governing Robinhood's website and mobile applications. Defendant Robinhood
6 Markets, Inc. facilitated, participated in, and communicated the acts and omissions to
7 Plaintiff and Class Members that caused the harm.

8 81. Defendant Robinhood Financial LLC is a full-service securities firm
9 incorporated in Delaware with its principal place of business located at 85 Willow
10 Road, Menlo Park, CA 94025. Defendant Robinhood Financial LLC is a wholly
11 owned subsidiary of Defendant Robinhood Markets, Inc., and an affiliate of
12 Defendant Robinhood Securities, LLC. It is an "introducing" broker-dealer, offering
13 brokerage services to retail investors and allowing customers to open online accounts
14 and electronically deposit funds. It is a named party to the Robinhood Terms &
15 Conditions Agreement governing Robinhood's website and mobile applications. It is
16 also a party to the Robinhood Customer Agreements, governing the purchase, sale, or
17 carrying of securities or contracts relating thereto and/or the borrowing of funds.
18 Defendant Robinhood Financial LLC facilitated, participated in, and communicated
19 to the Plaintiffs and Class Members the acts and omissions that led to the harm
20 alleged herein.

21 82. Defendant Robinhood Securities, LLC is a full-service securities firm
22

1 incorporated in Delaware with its principal place of business located at 85 Willow
2 Road, Menlo Park, CA 94025. It is a wholly owned subsidiary of Defendant
3 Robinhood Markets, Inc., and an affiliate of Defendant Robinhood Financial LLC.
4 Once a customer creates an account with Robinhood Financial LLC, Defendant
5 Robinhood Securities is the custodian of customers' funds and the securities customers
6 purchase. It services customer accounts; executes, clears, and settles customer trades;
7 prepares and distributes customer account statements and trade confirmations; and
8 extends credit to customer margin accounts. It is a party to the Robinhood Customer
9 Agreements governing the purchase, sale, or carrying of securities or contracts
10 relating thereto and/or the borrowing of funds, which transactions are cleared through
11 it. Defendant Robinhood Securities, LLC facilitated, participated in, and
12 communicated the acts and omissions that led to the harm alleged herein to Plaintiffs
13 and Class members herein.

18 83. At all times herein mentioned, there existed a unity of interest, and
19 activity in furtherance of that interest, among Robinhood and other Defendants such
20 that any individuality and separateness among them has ceased, and these Defendants
21 are the alter egos of each other with respect to operations.

24 84. The true names and capacities of those defendants designated as DOES 1-50,
25 whether individual, corporate, association or otherwise, are unknown to Plaintiffs and
26 Class Members at the time of filing this Complaint and Plaintiffs, therefore, sue said
27 defendants by such fictitious names and will ask leave of Court to amend this

1 Complaint to show their true names or capacities when the same have been
2 ascertained. Plaintiffs are informed and believe, and thereon allege, that each of the
3 DOE defendants is, in some manner, responsible for the events and happenings herein
4 set forth and proximately and/or directly caused injury and damages to Plaintiffs as
5 herein alleged.
6
7

8 **V.FACTUAL ALLEGATIONS**
9

10 85. Robinhood is an online brokerage firm that states its mission is to “to
11 democratize finance for all. We believe that everyone should have access to the
12 financial markets, so we’ve built Robinhood from the ground up to make investing
13 friendly, approachable, and understandable for newcomers and experts alike.”¹
14 Robinhood provides access to the markets: equities, options, and crypto currencies
15 using its web based, or smartphone-based applications.
16
17

18 86. As a part of its populist-based marketing and mission, Robinhood’s
19 official Twitter posted, “Let the people trade.”
20

21 87. As a part of the suite of services that Robinhood provides, it facilitates
22 buy and sell orders of securities as a broker-dealer. Robinhood also facilitates the
23 purchase of option contracts (“options”).
24

25 88. Robinhood has experienced significant growth as a relatively new online
26

27 ¹ <https://robinhood.com/us/en/support/articles/our-mission/>
28

1 brokerage firm. In 2019, Robinhood raised \$323 million in funding at a \$7.6 billion
2 valuation. The firm markets itself primarily to younger investors and claims over 10
3 million users of its trading platform.
4

5 89. On or around January 11, 2021, the stock for GameStop Corp., ("\$GME")
6 began to rise. At that time, Robinhood allowed retail investors access to the same
7 without restriction.
8

9 90. On or around January 26, 2021, the stocks for AMC Entertainment
10 holdings, Inc., ("\$AMC") began to rise.
11

12 91. On or around January 26, 2021, the stocks for Nokia Corporation
13 ("\$NOK") began to rise.
14

15 92. On or around January 26, 2021, the stocks for Naked Brand Group Ltd.,
16 ("\$NAKD") began to rise.
17

18 93. On or around January 26, 2021, the stocks for Blackberry Ltd., ("\$BB")
19 began to rise.
20

21 94. On or around January 26, 2021, the stocks for Express, Inc., ("\$EXPR")
22 began to rise.
23

24 95. On or around January 26, 2021, the stocks for Express, Inc., ("\$SNDL")
25 began to rise.
26

27 96. \$GME continued to rise.
28

29 97. Upon information and belief, unbeknownst to Robinhood users and the
30

1 market at large, Robinhood unilaterally removed tickers from its trading platform.
2

3 98. This meant that retail investors could no longer purchase the rising
4 tickers, or even search for them. Robinhood did this without providing notice to its
5 users, or the market at large.

6 99. Upon information and belief, Robinhood's actions were done
7 purposefully and knowingly to manipulate the market for the benefit of large
8 investors and financial intuitions who were not Robinhood's customers, or retail
9 traders.

10 100. These unilateral and unannounced acts did several things: 1) it locked
11 Robinhood users into positions as the prices of these shares began to free fall; 2) It
12 prevented Robinhood users for purchasing more shares at lower prices to average
13 down their costs bases; 3) It prevented Robinhood users from shorting the stocks; and
14 4) It deprived the market for a large percentage of the retail market buying power
15 causing all positions to free fall.

16 101. All of Robinhood's acts were intentional and caused harm. In sum,
17 Robinhood has completely blocked retailer investors from purchasing Restricted
18 Tickers for no legitimate reason, thereby depriving retailer investors from the benefits
19 of Robinhood's services in giving access to the market.

20 102. Additionally, for many users as their money was tied up with Robinhood
21 they could not withdraw and simply trade positions on the day.

22 103. The Financial Industry Regulatory Authority ("FINRA"), which governs

1 brokers like Robinhood, espouses rule 5310 regarding “Best Execution and
 2 Interpositioning.” Rule 5310.01 requires that Robinhood “must make every effort to
 3 execute a marketable customer order that it receives promptly and fully.” By failing
 4 to respond at all to customers’ placing timely trades—and outright blocking
 5 customers from trading a security—Robinhood has breached these, among other,
 6 obligations and caused its customers substantial losses due solely to its own
 7 negligence and failure to maintain adequate infrastructure.

104. On January 28, 2021, it was announced that Robinhood secured an
 11 additional billion dollars in funding.²

13 **VI.CLASS ACTION ALLEGATIONS**

15 105. Plaintiffs seek relief on behalf of themselves and as a representative of
 16 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
 17 (b)(3), Plaintiffs seek certification of a Nationwide class defined as follows:

20 **VII.ALL PERSONS WHO USED ROBINHOOD’S BROKERAGE**

21 **SERVICES BETWEEN JANUARY 20, 2021 AND THE END OF**

22 **THE RESTRICTION PERIOD ON THE RESTRICTED**

23 **TICKERS. (THE “ROBINHOOD CLASS”).**

24 106. Plaintiff seeks relief on behalf of themselves and as a representative of

27 2 <https://www.nytimes.com/2021/01/29/technology/robinhood-fundraising.html>

1 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
2 (b)(3), Plaintiffs seek certification of a Nationwide subclass defined as follows:
3

4 **VIII. ALL PERSONS AND ROBINHOOD CUSTOMERS IN THE**
5 **UNITED STATES WHO HELD SHARES OF THE RESTRICTED**
6 **TICKERS IN THEIR BROKERAGE ACCOUNTS BETWEEN**
7 **JANUARY 28, 2020 AND THE END OF SUCH RESTRICTIONS**
8 **AND SOLD SHARES OF THE RESTRICTED TICKERS AT A**
9 **LOSS. (THE “LOSS OF VALUE CLASS”).**

107. Plaintiffs seek relief on behalf of themselves and as a representative of
11 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
12 (b)(3), Plaintiff seeks certification of a Nationwide subclass defined as follows:
13

15 **IX. ALL PERSONS AND ROBINHOOD CUSTOMERS IN THE UNITED**
16 **STATES WHO HELD SHARES OF THE RESTRICTED**
17 **TICKERS IN THEIR BROKERAGE ACCOUNTS BETWEEN**
18 **JANUARY 28, 2020 AND THE END OF SUCH RESTRICTIONS**
19 **AND SOUGHT TO PURCHASE ADDITIONAL SHARES OF THE**
20 **RESTRICTED TICKERS. (THE “LOSS OF ADDITIONAL**
21 **INVESTMENT VALUE CLASS”).**

23 108. Plaintiffs seek relief on behalf of themselves and as a representative of
24 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
25 (b)(3), Plaintiffs seek certification of a Nationwide subclass defined as follows:
26

1 **X.ALL PERSONS AND ROBINHOOD CUSTOMERS IN THE**
2 **UNITED STATES WHO USED ROBINHOOD'S BROKERAGE**
3 **SERVICES BETWEEN JANUARY 20, 2021 AND THE END OF**
4 **THE RESTRICTION PERIOD ON THE RESTRICTED TICKERS**
5 **THAT HELD SHARES AND SOLD AT A LOSS. (THE "SOLD AT**
6 **LOSS CLASS").**

8 109. Additionally, or in the alternative, Plaintiffs seek relief on behalf of
9 himself and as a representative of all others who are similarly situated. Pursuant to
10 Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiffs seek certification of a Class defined
11 as follows:

13 **XI.ALL ROBINHOOD CUSTOMERS WITHIN THE STATE OF**
14 **CALIFORNIA ("CALIFORNIA CLASS").**

16 110. Additionally, or in the alternative, Plaintiffs seek relief on behalf of
17 themselves and as a representative of all others who are similarly situated. Pursuant to
18 Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiff seeks certification of a Class defined as
19 follows:
20
21
22
23
24
25

1 **XII. ALL ROBINHOOD CUSTOMERS WITHIN THE STATE OF**
2 **CALIFORNIA WHO WERE NOT ABLE TO EXECUTE TRADES**
3 **ON THE RESTRICTED TICKERS AND OTHER SECURITIES**
4 **AFTER ROBINHOOD KNOWINGLY, WILLFULLY, AND**
5 **PURPOSEFULLY REMOVED COMPLETELY FROM THEIR**
6 **PLATFORM (“CALIFORNIA LOSS CLASS”).**

7
8 111. Excluded from the Classes are Robinhood and any of its affiliates,
9 parents, or subsidiaries; all persons who make a timely election to be excluded from
10 the Class; government entities; and the judges to whom this case is assigned, their
11 immediate families, and court staff.

12
13 112. Plaintiffs hereby reserve the right to amend or modify the Class
14 definitions with greater specificity or division after having had an opportunity to
15 conduct discovery. The proposed Classes meet the criteria for certification under
16 Rules 23(a) and (b)(3).

17
18 113. **Numerosity:** The precise number of members of the proposed Class is
19 unknown to Plaintiff at this time, but, based on information and belief, Class
20 members are so numerous that their individual joinder herein is impracticable. Based
21 on information and belief and publicly available reports, Class members number in
22 the hundreds of thousands and up to ten million. Subclass members are likely in the
23 thousands. All Class and Subclass members may be notified of the pendency of this
24 action by reference to Robinhood’s records, or by other alternative means.

1 114. **Commonality:** Numerous questions of law or fact are common to the
2 claims of Plaintiff and members of the proposed Class. These common questions of
3 law and fact exist as to all Class members and predominate over questions affecting
4 only individual Class members. These common legal and factual questions include,
5 but are not limited to the following:
6

- 7 a. Did Robinhood knowingly fail to provide the financial services it agreed
8 to with its users that were needed to handle reasonable consumer
9 demand, including trading securities that are available on every other
10 competitive trading platform?
- 11 b. Did Robinhood fail to provide the duty of care to its customers when it
12 purposefully, and without prior notice, removed \$GME, \$BB, \$AMC,
13 \$SNDL, \$NOK, \$NAKD and others?
- 14 c. Did Robinhood remove \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$NAKD
15 and others to pass harm and risk purposefully and intentionally from
16 their industry partners to its own customers' positions in the Restricted
17 Tickers and benefit itself and its industry partners financial gains?
- 18 d. Did Robinhood violate FINRA Rule 5310, among other FINRA rules,
19 state rules, and federal regulations?
- 20 e. Did Robinhood violate consumer protection laws by failing to disclose
21 that its services would not include the ability to trade on \$GME, \$BB,
22 \$SNDL, \$NOK, \$NAKD, and other tickers, for substantial periods of
23 time?
- 24 f. Did Robinhood breach its legal, regulatory, and licensing requirements
25 by failing to provide adequate access to financial services?
- 26 g. Did Robinhood breach its contracts and/or the implied covenant of good
27 faith and fair dealing in connection with its failure to provide financial
28 services as described herein?

- h. Was Robinhood negligent or grossly negligent by failing to provide financial services in a timely manner due to its own possible nefarious desires, or the desires of industry partners?
 - i. Did Robinhood breach its fiduciary duties to its customers by failing to provide adequate access to financial services as promised?
 - j. Was Robinhood unjustly enriched by its conduct?
 - k. Were Plaintiffs and the other Class members injured by Robinhood's conduct, and if so, the appropriate class-wide measure of damages, restitution, and other appropriate relief, including injunctive relief?
 - l. Whether Plaintiff and the other Class members are entitled to injunctive and declaratory relief.

115. **Typicality:** The claims of the named Plaintiff are typical of the claims of the proposed Class in that the named Plaintiff was a customer during the class period and was unable to trade the Restricted Tickers and place time-sensitive trades on \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$BBBY, \$KOSS, \$NAKD, and others and sustained damages as a result of Robinhood's wrongful conduct.

116. Adequate Representation: Plaintiffs will fairly and adequately represent the interests of the Class in that he has no conflicts with any other Class members. Plaintiffs have retained competent counsel experienced in prosecuting complex class actions, including those involving financial services, and they will vigorously litigate this class action.

1 **117. Predominance and Superiority:** There is no plain, speedy, or adequate
2 remedy other than by maintenance of a class action. A class action is superior to other
3 available means, if any, for the fair and efficient adjudication of this controversy.
4 Prosecution of separate actions by individual Class members would create the risk of
5 inconsistent or varying adjudications, establishing incompatible standards of conduct
6 for the Defendant. Additionally, given the relatively modest damages sustained by
7 most individual members, few, if any, proposed Class members could or would sustain
8 the economic burden of pursuing individual remedies for Robinhood's wrongful
9 conduct. Treatment as a class action will achieve substantial economies of time,
10 effort, and expense, and provide comprehensive and uniform supervision by a
11 single court. This class action presents no material difficulties in management.
12

13 118. Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(A)
14 because the prosecution of separate actions by individual members of the proposed
15 Class would create a risk of inconsistent or varying adjudications with respect to
16 individual Class members, which may produce incompatible standards of conduct for
17 Defendants.

18 119. Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(B)
19 because the prosecution of separate actions by individual members of the proposed
20 Class would create a risk of adjudications with respect to individual Class members
21 which may, as a practical matter, be dispositive of the interests of the other members
22 not parties to the adjudications or substantially impair or impede their ability to
23

1 protect their interests.

2 120. The prerequisites to maintaining a class action for injunctive or equitable
3 relief pursuant to Fed. R. Civ. P. 23(b)(2) are met as Robinhood has acted or refused
4 to act on grounds generally applicable to the Class, thereby making final injunctive,
5 declaratory, or equitable relief appropriate with respect to the Class as a whole.
6

7 121. Class action certification is also warranted under Fed. R. Civ P. 23(b)(3)
8 because questions of law or fact common to the Class members predominate over any
9 questions affecting only individual members, and a Class action is superior to other
10 available remedies for the fair and efficient adjudication of this controversy. The
11 amount of damages available to the individual Plaintiff is insufficient to make
12 litigation addressing Robinhood's conduct economically feasible for most in the
13 absence of the class action procedure. Individualized litigation also presents a
14 potential for inconsistent or contradictory judgments and increases the delay and
15 expense to all parties and the court system presented by the legal and factual issues of
16 the case. By contrast, the class action device presents far fewer management
17 difficulties and provides the benefits of a single adjudication, economy of scale, and
18 comprehensive supervision by a single court.
19

20 122. Class action certification is also warranted under Fed. R. Civ P. 23(c)(4)
21 because questions of law or fact common to the Class members may be certified and
22 decided by this Court on a class wide basis.
23

XIII. CAUSE OF ACTION – BREACH OF CONTRACT

123. Plaintiff incorporates the preceding paragraphs by reference as if set forth fully in this section, namely paragraphs 1 to 68.

124. To use the Robinhood platform, a potential customer must enter into the Customer Agreement with Robinhood.

125. Plaintiffs and all putative Class Members entered into a Customer Agreement with Robinhood.

126. Robinhood breached the Agreement by failing to not only provide advance notice of removal of heavily traded and highly profitable stock tickers and implementing the strictest restrictions on the same. Robinhood breached its Customer Agreement by, among other things, failing to disclose that its platform was going to randomly pull profitable stocks from its platform at a time they were most profitable; and that Robinhood failed to provide an adequate explanation to their customers; and that Robinhood knowingly put their customers at a disadvantage compared to customers who used other trading apps; and that Robinhood failed to provide access to its own financial incentives to pull the Restricted Tickers including \$GME, \$BB, \$AMC, \$SNDL, \$NAKD AND \$NOK among others; that Robinhood's actions were a direct breach of the Agreement by failing to perform in a timely manner (or at all) under the contract; and that Robinhood failed to comply with all applicable legal, regulatory and licensing requirements; and that Robinhood failed to exercise trades

and actions requested by customers.

127. Robinhood breached its Customer Agreement with Plaintiffs and class members as a result of the aforementioned actions.

128. Robinhood's failure to perform and its breaches of the Customer Agreement resulted in damages and losses to Plaintiff and Class members and continues to expose them to harm because Robinhood continues to fail to perform under the Customer Agreement. These losses reflect damages to Plaintiff and Class members in an amount to be determined at trial or separate proceedings, as necessary.

XIV. CAUSE OF ACTION – NEGLIGENCE

129. Plaintiff incorporates the preceding paragraphs by reference as if set forth fully in this section, namely paragraphs 1 to 74.

130. Robinhood had a duty to exercise reasonable care to not manipulate the market.

131. Robinhood had a duty to exercise reasonable care in conducting and facilitating transactions for its customers in the open market.

132. Robinhood breached its duties by removing the Restricted Tickers from its trading platform without prior notice to its users or to the market at large. The removal of the Restricted Tickers not only harmed Plaintiffs and its Class Member users, but also harmed those that held shares of the Restricted Tickers in the market at large.

133. Robinhood essentially abandoned its customers, and in so doing, caused

1 a market effect that drove the price of the Restricted Tickers down and caused
2 Plaintiffs and Class members to suffer damages.
3

4 134. Robinhood showed a wanton and reckless disregard for the effect its
5 actions would have on the Plaintiffs, Class Members, and open market. Moreover,
6 Robinhood did not undertake these actions due to “market volatility” as it later
7 claimed, as these Restricted Tickers were continually traded save a few “halts” by the
8 actual exchanges.
9

10 135. Robinhood’s negligence and gross negligence, harmed Plaintiffs, Class
11 Members, and market participants by forcing them to incur significant losses in the
12 marketplace by first removing the Restricted Tickers on January 28, 2021 from the
13 trading platform without notice, and later imposing excessive and unwarranted
14 restrictions on the tickers that in some instances changed, again without notice, from
15 allowing the trading of 115 \$AMC shares in the morning to 1 \$AMC share in the late
16 afternoon on January 29, 2021 and as a result the price decreased.
17
18

19
20
21 **XV. CAUSE OF ACTION - BREACH OF FIDUCIARY DUTY**
22

23 136. Plaintiff incorporates the preceding paragraphs by reference as if set
24 forth fully in this section, namely paragraphs 1 to 81.
25

26 137. As a licensed provider of financial services, Robinhood at all times
27 relevant herein was a fiduciary to Plaintiff and Class members and owed them the
28

1 highest good faith and integrity in performing its financial services on their behalf.
2 Robinhood also acted as a fiduciary to each and every customer who agreed to the
3 Customer Agreement.

5 138. Robinhood breached its fiduciary duties to Plaintiff and Class members
6 by, among other things, failing to disclose that its platform was going to remove
7

8 \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$NAKD, \$WKHS and other
9 purchases in a timely manner; actually removing \$GME, \$BB, \$AMC, \$SNDL,
10 \$NOK, \$BBBY, \$KOSS, \$NAKD and others; removing \$GME, \$BB, \$AMC,
11 \$SNDL, \$NOK, \$BBBY, \$KOSS, \$NAKD and others for its own pecuniary benefits;
12 that Robinhood failed to provide access to its financial services in a timely manner;
13 that Robinhood failed to comply with all applicable legal, regulatory, and licensing
14 requirements; and that Robinhood failed to exercise trades and actions requested by
15 customers in a complete and timely manner (also required by FINRA Rule 5310).
16

17 139. Robinhood's conduct has caused Plaintiff and Class members' harm,
18 losses, and damages and continues to expose them to harm because Robinhood
19 continues to breach its fiduciary duties. These losses reflect damages to Plaintiff and
20 Class members in an amount to be determined at trial or separate proceedings, as
21 necessary.
22

1 **XVI. CAUSE OF ACTION - BREACH OF**
2 **DUTY OF GOOD FAITH AND FAIR**
3 **DEALING**

5 140. Plaintiff incorporates the preceding paragraphs by reference as if set
6 forth fully in this section, namely paragraphs 1 to 85.

8 141. Plaintiffs and members of the Class and Subclass entered into the
9 Customer Agreement with Defendant Robinhood to open a Robinhood trading
10 account. They agreed to Robinhood's Terms and Conditions by using Robinhood's
11 website and trading platform.

13 142. Plaintiffs and members of the Class and Subclass fulfilled their
14 obligations under these contracts by adhering to their terms and using Robinhood's
15 trading services through its website and trading platform.

17 143. Robinhood was obligated to provide the trading services required under
18 those contracts at all times, including but not limited to, trades for \$GME, \$BB,
19 \$AMC, \$SNDL, \$NOK, \$KOSS, \$NAKD, and later \$WKHS and others.

21 144. When initially signing up for Robinhood, Plaintiff and all those similarly
22 situated could and most actually did trade \$GME, \$BB, \$AMC, \$SNDL, \$NOK,
23 \$KOSS, \$NAKD, and later \$WKHS and others.

25 145. Robinhood unfairly interfered with the rights of Plaintiffs and members
26 of the Class and Subclasses to receive the benefits of the Customer Agreement by,
27 among other things, (i) failing to provide services necessary to carry out a trade; (ii)

1 failing to provide certain trading services whatsoever; (iii) failing to inform
2 individuals in a timely member of the drastic changes in trading abilities; and (iv)
3 prohibiting plaintiffs from buying GME for Robinhood's own pecuniary interest and
4 not disclosing those interest to Plaintiffs and all Class and Subclasses members.
5

6 146. Robinhood's conduct has caused Plaintiffs and members of the Class and
7 Subclass harm, losses, and damages. These losses reflect damages to Plaintiffs and
8 members of the Class and Subclass in an amount to be determined at trial or separate
9 proceedings, as necessary.
10

11 **XVII. BREACH OF EXPRESS AND IMPLIED WARRANTIES**

12 147. Plaintiff incorporates the preceding paragraphs by reference as if set
13 forth fully in this section, namely paragraphs 1 to 92.
14

15 148. Robinhood warranted that their trading platform would provide access to
16 the stock market, and that by using it, its users would be able to buy and sell shares.
17

18 149. On January 28 & 29 of 2021, Robinhood breached those warranties by
19 preventing and prohibiting its users to buy shares in the Restricted Tickers.
20 Meanwhile the rest of the market was able to buy, short sell, and trade those
21 securities.
22

23 150. As a direct result of Robinhood's breaches, Plaintiffs and Class Members
24 were harmed and sustained damages.
25

1
2 **XVIII. RELIEF REQUESTED**
3
4

5 WHEREFORE each Plaintiffs and Class Members pray for judgment against
6 Robinhood and, as appropriate to each cause of action alleged and as appropriate to the
7 standing of Plaintiffs, as follows:

- 8 1. Immediate injunction requiring Robinhood to reinstatement of all the
9 retail tickers in question on their trading platform;
10 2. An award for Plaintiffs and Class Members' damages;
11 3. An award for attorney's fees and costs;
12 4. Punitive or exemplary damages according to proof; and
13 5. prejudgment interest;
14 6. post-judgment interest;
15 7. for such other and further relief as this Court may deem just and proper.

16
17 Dated: January 27, 2023.
18

19 Respectfully submitted,
20
21

22 
23 _____
24 Wendy A. Mitchell (CA SBN 158553)
25 Nicholas Farnolo (*pro hac vice* anticipated)
26 Napoli Shkolnik, PLLC
27 400 Continental Boulevard, 6th Floor
28 El Segundo, CA 90245
 (212) 397-1000

DEMAND FOR JURY TRIAL

Plaintiff demands trial by jury on all issues which may be tried by a jury.

Napoli Shkolnik PLLC

Dated: January 27, 2023.

Wendy Mitchell

Wendy A. Mitchell (CA SBN 158553)
Attorneys for Plaintiff